



State of
Tennessee

Governor's Office of
Diversity Business Enterprise

ANNUAL REPORT

Fiscal Year 2012 - 2013



312 ROSA L. PARKS AVENUE, 3RD FLOOR
WILLIAM R. SNODGRASS TENNESSEE TOWER
NASHVILLE, TENNESSEE 37243



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

BILL HASLAM
GOVERNOR

ROBERT E. OGLESBY, AIA
COMMISSIONER

December 30, 2013

The Honorable Bill Haslam, Governor
and Members of the Tennessee General Assembly
First Floor, State Capitol
Nashville, TN 37243

Dear Governor Haslam and Members of the Tennessee General Assembly:

Tenn. Code Ann. §12-3-1102–1107 and 1112, known as the “*Tennessee Minority-owned, Woman-owned and Small Business Procurement and Contracting Act*” requires the Chief Procurement Officer of the Department of General Services to report annually to the Governor and each member of the General Assembly concerning the awarding of purchases to minority-owned, woman-owned, service-disabled veteran-owned, and small business enterprises.

December 8, 2013 marked the ten-year anniversary of the signing of Executive Order No. 14 which established the Governor’s Office of Diversity Business Enterprise. We are pleased to present an update on a “*Decade of Diversity*” in the state of Tennessee’s procurement and contracting activity. The following pages will highlight some of the achievements and overall progression of the state of Tennessee’s diversity program.

Having overcome many of the obstacles and barriers to achieve an optimum level of diversity participation, we are proud to present what represents over one billion dollars in diversity spend over the ten-year period with business enterprises owned by minorities, women, and service-disabled veterans, and small business enterprises.

During the past decade, the Governor’s Office of Diversity Business Enterprise has expanded our commitment to maximize opportunities for business enterprises owned by minorities, women, service-disabled veterans, and small business enterprises. This past year’s performance measurement goal was five percent over the previous year’s goal. We actually achieved over a seven percent (7.42%) increase above the previous year’s spend in terms of dollars in diversity spend.

Presented herein is the annual report on purchases and contract awards for fiscal year 2012-13.

Sincerely,

Michael F. Perry
Chief Procurement Officer

CENTRAL PROCUREMENT OFFICE

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EXECUTIVE SUMMARY

Mission Statement

To coordinate the state's efforts to facilitate greater participation by minority-owned, woman-owned, service-disabled veteran-owned, and small businesses in the state's procurement and contracting opportunities. Governor's Office of Diversity Business Enterprise works closely with the major procurement entities within state government; the departments of Finance & Administration, General Services, Transportation, and the State Building Commission to ensure an optimal level of participation by diversity businesses in state contracting activity.

Vision

To be the best program in the nation for expanding meaningful economic opportunities to business enterprises owned by Tennessee small businesses including minority, women and service-disabled veteran-owned businesses.

History

Previous programs to assist minority-owned, woman-owned and small businesses desiring to do business with State of Tennessee departments and agencies did little to increase participation in state procurement and contracting activity. The

maze of varied and decentralized procurement processes continued to be complicated, confusing, and discouraging to diversity businesses. A disparity study conducted in September 2009 revealed factual basis that the state of Tennessee procurement and contracting methods must provide for a fair and equal opportunity to minorities and women-owned businesses to participate in the state of Tennessee's procurement of goods and services.

With the assistance of a strong legislature, we have crafted one of the best programs in the nation for expanding opportunities to diversity business enterprises.

Creation of the Governor's Office of Diversity Business Enterprise

The Governor's Office of Diversity Business Enterprise (Go-DBE) was created by Executive Order Number 14, on December 8, 2003, in an effort to expand economic opportunities for small businesses and businesses owned by minorities and women.

The office is charged with coordinating and directing efforts of the Executive Branch to increase participation by small businesses and businesses owned by minorities,

women, and service-disabled veterans in the state's procurement and contracting processes.

The Go-DBE office works with all state departments and agencies to assist them in achieving their agency internal goals for participation with businesses with designations in the four categories. The program was designed with taxpayers in mind to provide meaningful opportunities to successfully compete for the state of Tennessee's expenditure of goods, supplies, equipment, personal, and professional services, including architecture and engineering, design, and construction on capital projects.

The Go-DBE office is the central point of contact to assist Tennessee small businesses and business enterprises owned by minorities, women, and service-disabled veterans desiring to participate in the state of Tennessee's procurement and contracting activity.



EXECUTIVE SUMMARY

Authority

The Governor's Office of Diversity Business Enterprise was codified April 27, 2004 upon passage of the "**Tennessee Minority-owned, Woman-owned and Small Business Procurement and Contracting Act**". Tennessee Code Annotated §12-3-1102 through 1107 requires the Governor's Office of Diversity Business Enterprise to:

- Compile and maintain a comprehensive list of minority-owned, woman-owned, service-disabled veteran-owned, and small businesses to provide potential sources for various goods and services to state agencies and departments.
- Assist minority-owned, woman-owned, service-disabled veteran-owned, and small businesses in complying with state procurement and contracting procedures and requirements.
- Examine requests from state agencies for the purchase of materials, supplies, equipment or services to help determine which invitations to bid and requests for proposals may offer increased opportunities for minority-owned, woman-owned, small businesses; and service-disabled veteran-owned businesses.

- Make recommendations to appropriate state agencies for the simplification of procurement and contract specifications and terms in order to increase opportunities of participation by minority-owned, woman-owned, and service-disabled veteran-owned and small businesses.

T.C.A. §12-3-1106(b) requires all departments, agencies, boards, and commissions to fully cooperate with the Governor's Office of Diversity Business Enterprise to provide information regarding upcoming procurement opportunities, make periodic reports on diversity business participation, and actively solicit bids and proposals from small, minority and woman-owned, and service-disabled veteran-owned businesses.

In addition, each department is required to establish agency level internal goals for a percentage of participation for doing business with small, minority-owned, woman-owned, and service-disabled veteran-owned businesses.



EXECUTIVE SUMMARY

Recent Legislative Changes

Senate Bill No. 170 amended T.C.A. at Title 12, Chapter 3, and Part 8 by increasing the threshold for eligibility of a Tennessee Small Business.

The amendment expanded the definition of small business from thirty employees to not more than ninety-nine employees on a full-time basis.

Effective July 1, 2013 the definition for Small Business Enterprises was expanded to allow thousands more Tennesseans to meet eligibility guidelines. Additional businesses can now apply to be included as a part of the State of Tennessee's diversity program.

Under the new definition, a Tennessee small business is defined as *"a business that is a continuing for profit, independent business which performs a commercially useful function with residence in Tennessee and has total gross receipts of no more than ten (\$10) million dollars averaged over a three-year period or employs not more than ninety-nine (99) employees on a full time-basis"*.

Effective April 2, 2012 each state agency was required by legislation to designate a staff person to assist the Governor's Office of Diversity Business Enterprise with coordinating the agency's efforts to utilize Tennessee small businesses.

At right is a list of the designated liaisons by state agency:

Department	Name	Phone Number	E-mail Address
Agriculture	Peggy Naifeh	615-837-5300	Peggie.naifeh@tn.gov
Children's Services	Suzanne G. White	615-741-0581	Suzanne.g.white@tn.gov
Commerce & Insurance	Angela Lay	615-741-4703	Angela.lay@tn.gov
Comptroller of Treasury	Lauren Plunk	615-401-7742	Lauren.Plunk@cot.tn.gov
Economic & Community Development	Wisty Pender	615-741-8914	.Wisty.pender@tn.gov
Education	Kristen McKeever	615-532-8539	Kristen.McKeever@tn.gov
Environment & Conservation	Bill Amonett	615-532-0334	Bill.amonett@tn.gov
Finance and Administration	Jane Chittenden	615-741-1624	Jane.Chittenden@tn.gov
Financial Institutions	Michelle L. Berry	615-232-1013	Tommie.pendergrass@tn.gov
Health	Ben Riley	615-741-1614	Ben.riley@tn.gov
Health Care Finance and Administration (TennCare)	Alma Chilton	615-507-6384	Alma.chilton@tn.gov
Human Resources	Brigitte Tubbs-Jones	615-532-8853	Brigitte.Tubbs-Jones@tn.gov
Human Rights Commission	Ky Sychareuene	615-523-7614	Ky.sychareuene@tn.gov
Human Services	Basil Dosunmu	615-313-4705	basil.dosunmu@tn.gov
Labor and Workforce Development	Ron Jones	615-532-8671	Ron.Jones@tn.gov
Military	George Street	615-313-0691	George.street@tn.gov
Revenue	Julie Blair	615-532-8940	Julie.blair@tn.gov
Safety	Gail Camp	615-251-5166	Gail.camp@tn.gov
Secretary of State	Mona Hart	615-741-2819	Mona.hart@tn.gov
Tennessee Advisory Commission on Intergovernmental Relations	Michael Timme	615-741-3483	Michael.Timme@tn.gov
Tennessee Bureau of Investigation	Edward B. Jones	615-344-4300	Edward.b.jones@tn.gov
Tennessee Board of Regents	Angela Gregory Flynn	615-366-4436	Angela.flynn@tbr.edu
Tennessee Commission on Aging & Disability	Lauren Brown	615-741-2056 x 115	Lauren.Brown@tn.gov
Tennessee Corrections Institute	JoAnn Pogue	615-253-4456	Joanne.Pogue@tn.gov
Tennessee Higher Education Commission	Stephanie Strong	615-253-7467	stephanie.strong@tn.gov
Tennessee Housing Development Agency	Linda Jones	615-815-2058	ljones@thda.org
Tennessee Wildlife Resource Agency	Fred Egger	615-781-6604	fred.egger@state.tn.gov
Transportation	Gary Bryant	615-741-0699	Gary.bryant@tn.gov
Treasury	Josh Stites	615-741-2956	Josh.stites@tn.gov
Tourist Development	Nancy Hargiss-Tatlock	615 741-9065	nancy.hargiss-tatlock@tn.gov
University of Tennessee	Samantha Drenner-Johnson	865-974-8286	samantha@tennessee.edu
Veterans Affairs	LaDonna Copeland	615-253-8972	Ladonna.copeland@tn.gov

EXECUTIVE SUMMARY



Program Eligibility

Minority Business Enterprise (MBE)

A minority-owned business is a continuing, independent, for profit business which performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more minority individuals who are impeded from normal entry into the economic mainstream because of past practices of discrimination based on race or ethnic background. Recognized ethnic minorities are as follows:

African American

A person having origins in any of the Black racial groups of Africa.

Hispanic American

A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

Native American

A person having origins in any of the original peoples of North America.

Asian American

A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

Woman Business Enterprise (WBE)

A woman-owned business is a continuing, independent, for profit business which performs a commercially useful function, and is at least fifty-one percent (51%) owned and controlled by one (1) or more women; or in the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more women and whose management and daily business operations are under the control of one (1) or more women.

Service-Disabled Veteran Business Enterprise (SDVBE)

Tennessee Service-Disabled Veterans include any person who served honorably on active duty in the Armed Forces of the United States with at least a twenty percent (20%) disability that is service-connected, meaning that such disability was incurred or aggravated in the line of duty in the active military, naval, or air service. Tennessee service-disabled veteran-owned business "means a service-disabled veteran-owned business that is a continuing independent, for profit business located in the state of Tennessee that performs a commercially useful function, and

1. Is at least fifty-one percent (51%) owned and controlled by one (1) or more service-disabled veterans;
2. In the case of a business solely owned by one (1) service-disabled veteran and such person's spouse, is at least fifty percent (50%) owned and controlled by the service-disabled veteran; or
3. In the case of any publicly owned business, at least fifty-one percent (51%) of the stock of which is owned and controlled by one (1) or more service-disabled veteran and whose management and daily business operations are under the control of one (1) or more service-disabled veteran".

Program Eligibility continued on page 5

EXECUTIVE SUMMARY



Program Eligibility...cont.

Small Business Enterprise (SBE) definition and guidelines:

The Governor’s Office of Diversity Business Enterprise establishes small business guidelines based on industry size standards. The criteria guidelines are required to be met in order for a business to be considered a small business enterprise and to receive certification as a Small Business Enterprise (SBE). The annual sales receipts and the number of employees indicate the maximum allowed for a small business concern by the

state of Tennessee definition.
Small Business Definition:

“Tennessee small business” means a business that is a continuing, independent, for profit business which performs a commercially useful function with residence in Tennessee and has total gross receipts of no more than ten million dollars (\$10,000,000) averaged over a three-year period or employs not more than ninety-nine (99) employees on a full time basis).

INDUSTRY	CRITERIA
Agriculture / Forestry and Fishing	\$10 Million or not more than 99 Employees
Architectural / Design / Engineering	\$10 Million or not more than 99 Employees
Construction	\$10 Million or not more than 99 Employees
Education	\$10 Million or not more than 99 Employees
Finance / Insurance and Real Estate	\$10 Million or not more than 99 Employees
Information Systems / Technology	\$10 Million or not more than 99 Employees
Manufacturing	\$10 Million or not more than 99 Employees
Marketing / Communications / Public Relations	\$10 Million or not more than 99 Employees
Medical / Health Care	\$10 Million or not more than 99 Employees
Mining	\$10 Million or not more than 99 Employees
Retail Trade	\$10 Million or not more than 99 Employees
Service Industry	\$10 Million or not more than 99 Employees
Transportation / Commerce / Utilities	\$10 Million or not more than 99 Employees
Wholesale Trade	\$10 Million or not more than 99 Employees

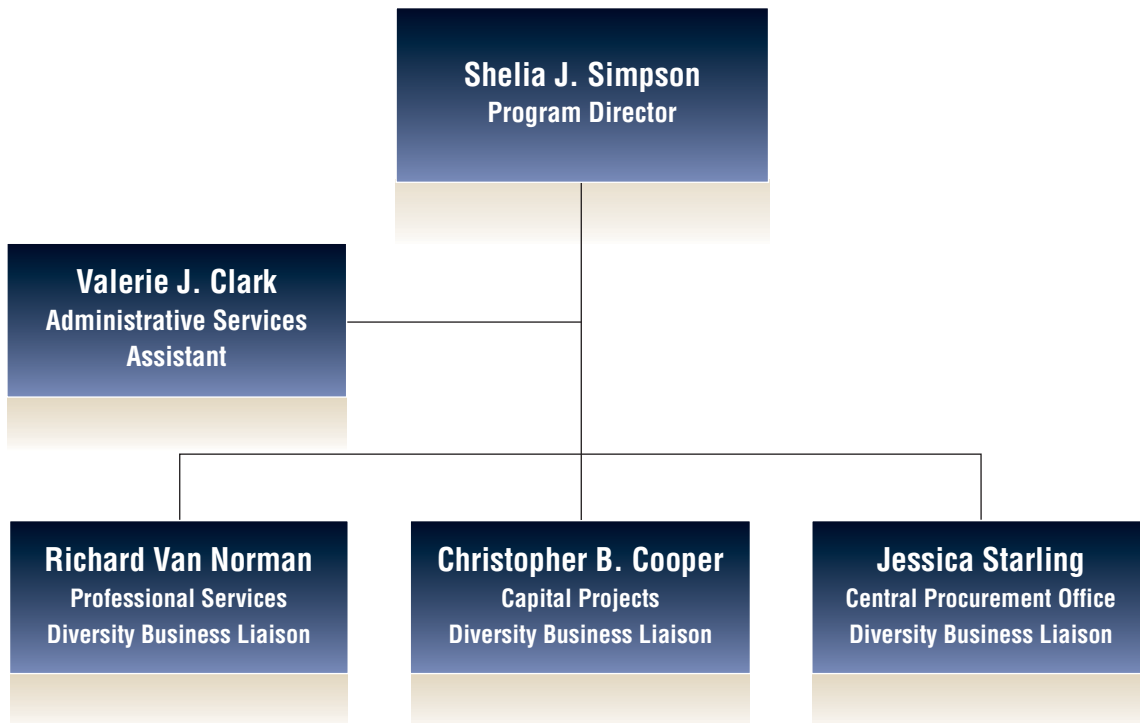
EXECUTIVE SUMMARY



Department of General Services Governor's Office of Diversity Business Enterprise

June 30, 2013

Organizational Chart



PROGRAM HIGHLIGHTS AND ACCOMPLISHMENTS

PROGRAM HIGHLIGHTS



State of Tennessee Diversity Business Enterprise Purchases and Contract Awards

The Governor's Office of Diversity Business Enterprise is charged with the monitoring of contract awards and purchases made to certified diversity businesses by state agencies and departments. Purchases and contract awards to certified diversity businesses for fiscal year 2012-13 increased to **\$259,509,238.95**, a 7.23% percent increase over the previous fiscal year. (See Chart No. 1 below)

A decade of diversity in Tennessee represents over a billion dollars to certified diversity firms from 2004 through 2013.

Chart 1 reflects an increase in the dollars awarded to certified businesses in the state of Tennessee's contracting activity. We are able to report awarded purchases made to certified businesses, as these firms have gone through the process of certification and have been verified to be the owners of those businesses as stated in their company documents. It is our goal to see an increase in the number of contract awards made to certified businesses each year.

increased from 28 to 39, a 39.29 percent increase of diversity businesses. Many state agencies are to be commended for their commitment to utilize diversity businesses in their procurement processes.

Chart 1

Awarded Diversity Dollars From FY04-05 to FY12-13

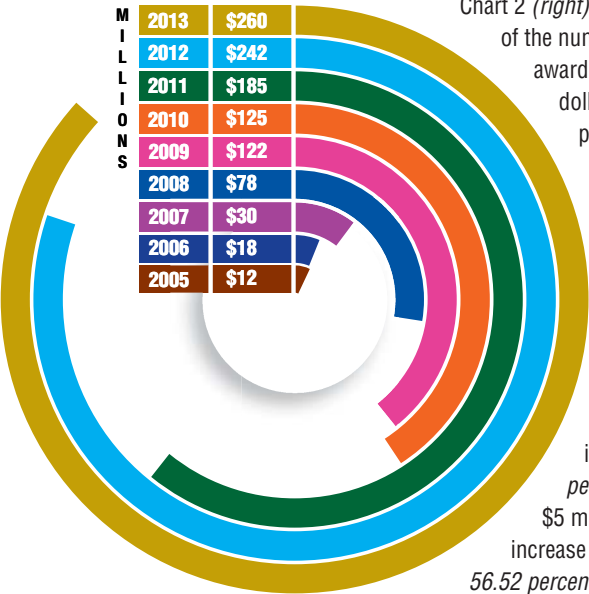
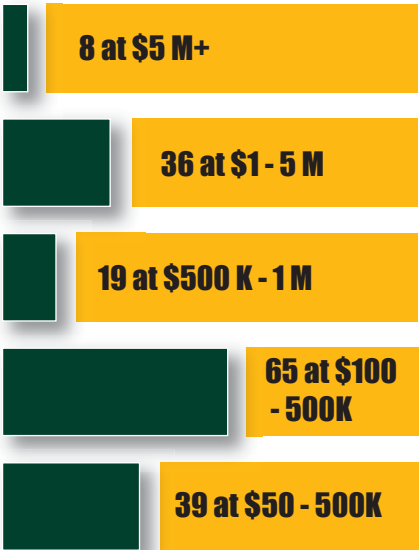


Chart 2 (right) reflects the Top Dollar Awards of the number of businesses receiving awards over fifty-thousand (\$50,000) dollars. Go-DBE identified an 11.41 percent increase in businesses over \$50K from previous Fiscal Year 2011-12. Most impressive is the large increase in the number of diversity businesses in the three highest ranges. The number of businesses receiving awards from \$500,000.00 - \$1,000,000.00 increased from 13 to 19, a 46.15 percent increase. The \$1 million - \$5 million range realized a great increase from 23 to 36 businesses, a 56.52 percent increase. Awards over \$5 million dollars increased from 7 to 8, a 14.29 percent increase. The lower range of \$50-\$100K also was very impressive, as this area

Chart 2

Top Dollar Awards No. of Businesses with Awards Above \$50K in FY12-13



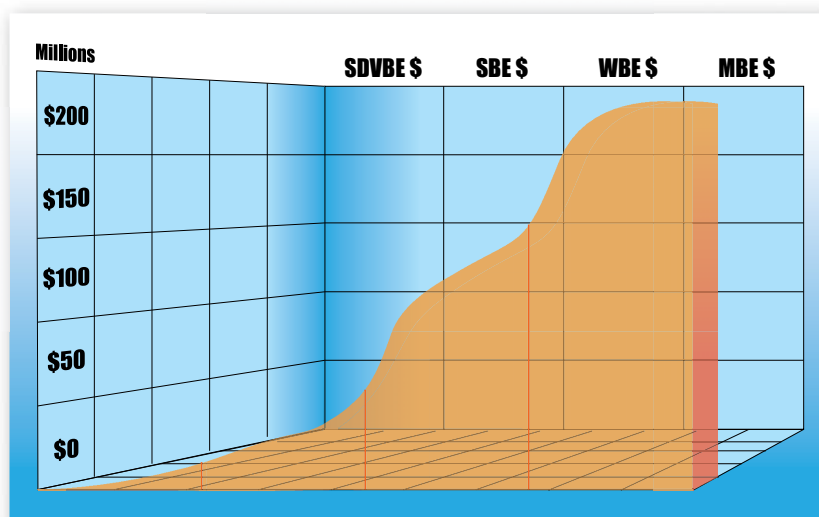
PROGRAM HIGHLIGHTS



Diversity Business Awarded Dollars by Percentage and Ethnicity:

Chart No. 3 (right) reflects the ethnic categories for minority-owned, woman-owned, service-disabled veteran-owned, and small businesses with total dollars awarded of \$259,509,238.95 identified for this past fiscal year by sub-category.

Chart 3
Awards by Sub-Category



Diversity Business Procurement Awards by Sub-category

MBE	\$ 162,220,524.61
WBE	\$ 75,563,287.70
SBE	\$ 18,199,697.23
SDVBE	\$ 3,525,729.41
Total	\$ 259,509,238.95

Procurement Awards by Ethnicity

Ethnicity	MBE \$	WBE \$	SBE \$	SDVBE \$	%
African American	\$ 48,757,026.80	\$ 2,454,619.71	-	-	19.7%
Asian American	\$ 11,619,517.15	\$ 3,436.84	-	-	4.5%
Hispanic American	\$ 9,829,102.44	-	-	-	3.8%
Native American	\$ 92,014,878.22	\$ 1,456,105.38	-	\$ 3,097,862.85	37.2%
Non-Minority Female	-	\$ 71,649,125.77	\$ 745,001.95	-	27.9%
Non-Minority Male	-	-	\$ 17,454,695.28	\$ 427,866.56	6.9%
Totals	\$162,220,524.61	\$ 75,563,287.70	\$18,199,697.23	\$3,525,729.41	100.00%

MBE (Minority Business Enterprise) WBE (Woman Business Enterprise) SDVBE (Service-Disabled Veteran-Owned Business Enterprise) SBE (Small Business Enterprise).

PROGRAM HIGHLIGHTS



Dollars Awarded to Minority-Owned Businesses by Category

The following Tennessee businesses are commended for their success in doing business with the state during fiscal year 2012-13. The following list of certified firms represents some of the highest dollar amounts paid to diversity firms during the fiscal year:

Minority Business Enterprises

Lojac Enterprises, Inc.	\$77,948,337.40
Flintco.....	\$13,924,299.94
Guy Brown.....	\$3,794,045.22
Southeastern Constructors.....	\$3,388,125.00
Gipson Mechanical contractors, Inc.	\$3,262,086.00
Zycron, Inc.	\$3,245,687.32
1 Source.....	\$2,444,564.39
Impulse Electrical Systems, Inc.....	\$2,064,994.00
TRC Worldwide Engineering, Inc.	\$1,503,589.61
WMC Contracting Co., Inc.	\$1,463,937.78
Alpha Maxx.....	\$1,296,900.00
Stell Group	\$1,200,000.00
Pinnacle Construction	\$1,071,303.00

Women Business Enterprises

Metropolitan Security Services (Walden)	\$14,175,183.72
Planet, Inc.	\$5,595,073.61
Pavement Restorations, Inc.....	\$5,056,000.00
Kimberly, Inc.	\$4,887,793.46
Sunrise Contracting, Inc.	\$4,513,180.00
Ascend Management Innovations, LLC	\$4,467,452.23
Perfecta Drywall, LLC	\$4,079,072.05
Fulfillment Healthcare Services.....	\$2,253,815.20
Collier Roofing Co., Inc.	\$1,456,105.38
The Bingham Group, Inc.....	\$1,381,260.00
Iron Mountain Construction Co., Inc.	\$1,372,087.00
Mayer Electric Supply, Inc.	\$1,365,955.00
Tennessee Tile and Marble Co., Inc.	\$1,349,404.00
Walker and Associates, Inc.....	\$1,161,496.40
Bomar Construction Company	\$1,032,195.06

Small Business Enterprises

RPM Transportation Consultants, LLC.....	\$6,238,836.36
Rock City Construction Co., Inc.....	\$2,325,736.58
New Century Group, dba Designsensory	\$1,400,000.00
Blount Contractors, Inc.	\$834,000.00
TOE, Inc. (Good Earth)	\$818,576.50
Nashville Pharmacy Services, LLC	\$590,241.50
Sent Software	\$558,430.00
Stringfellow, Inc.	\$536,706.88

Service Disabled Veteran Businesses

Blind Genie	\$185,320.00
H2OProf Systems	\$157,184.00
Qontinuity Enterprises, LLC.....	\$76,395.00
Ace Railroad Contractors.....	\$4,970.00
Sewer Bee	\$3,997.56

NOTE: These lists represent just a few of the total list of firms by ethnicity as not all firms could be listed.

PROGRAM HIGHLIGHTS



A Decade of Diversity

Certified Diversity Businesses from the Beginning

We wanted to take a look back at some of the businesses that obtained certification during the early phases of the program to compare how many firms continue their certification with this office. The Governor's Office of Diversity Business Enterprise is pleased to report that many diversity businesses have continued their certification with the Go-DBE office since the establishment of the program.

Certification began in the latter half of 2004. From the businesses that were certified between 2004 and 2006, there are currently 209 businesses still certified in the Go-DBE office. Many of those businesses not only perform services or provide products to the State of Tennessee, but also to local governments and private sector companies. Some of the benefits that certified diversity businesses enjoy include:

- Greater opportunities to do business with state agencies
- Receive notification of bid and proposal opportunities, training/workshops, networking events, and educational opportunities
- Listed in the Governor's Office of Diversity Business Enterprise online directory
- Receipt of official Go-DBE certificate that is valid for three (3) years

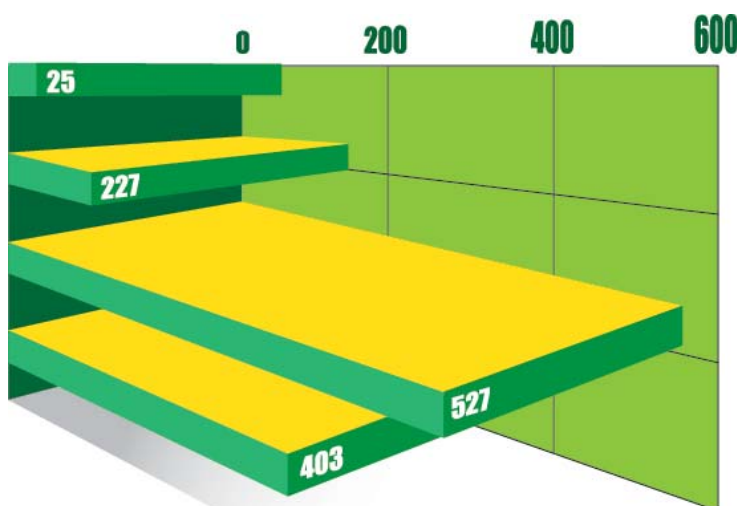
- Improved visibility to state and local government, higher education, and private sector
- Simplified re-certification process
- No cost for certification
- Certification status provides the opportunity to partner with other companies on larger projects
- Keeping a current certification allows the business to be "ready" when the opportunity arises

Number of Certified Businesses FY 2012-13

MBE's	403	34.09%
WBE's	527	44.59%
SBE's	227	19.20%
SDVBE's	25	2.12%
Total	1,182	100.00%

Chart 4

Certified Diversity Businesses by Category



PROGRAM HIGHLIGHTS

Minority-Owned Business Dollars by Ethnicity

FY12-13 denoted a phenomenal increase of minority-owned businesses who were each awarded greater than \$1 million of contracts and awards during the year. The increase occurred in all four minority sub-category groups. The associated information illustrates the four (4) categories and the individual businesses:

African American - 13 businesses (62.5% Increase)

1 Source

*Alpha Maxx Healthcare, Inc.
B. Miller Recycling, LLC
Diamond Contract Services, Inc.
Fulfillment Healthcare Services
Gipson Mechanical Contractors, Inc.
Mid America Consulting Group, Inc.
Pinnacle Construction Company
ServiceMaster Facilities
Southeastrans, Inc.
Southeastern Constructors, LLC
Stell, Inc.
Zycron, Inc.*

Asian American - 6 businesses (200% Increase)

*Alpha Insulation & Waterproofing
Company
Crystal Steel Fabricators, Inc.
NB Ventures, Inc. dba Global eProcure
Optimum Technology, Inc.
TRC Worldwide Engineering, Inc.
Vinimaya, Inc.*

Native American - 4 businesses (300% Increase)

*Avatara, LLC
Collier Roofing Co., Inc.
Flintco, Inc.
Lojac Enterprises, Inc.*

Hispanic American - 4 businesses (100% Increase)

*Guy Brown Management, LLC
Impulse Electrical Systems, Inc.
United Data Technologies, Inc.
WMC Contracting Co., Inc.*

PROGRAM HIGHLIGHTS



Prime Contractors with Sub-contracting Opportunities

The Go-DBE office continues to participate in Pre-bid and Pre-Proposal conferences encouraging sub-contracting and partnering in the state's procurement activities.

The two charts reflect the top majority owned firms that sub-contracted with certified diversity business enterprises from the Go-DBE directory. The dollar value is what sets these firms apart. Each of the adjacent companies is to be congratulated for utilizing sub-contractor services during the past fiscal year.

FY 2012-13 has seen an increase from 10 to 13 majority prime contractors with greater than \$1 million dollars to certified diversity business sub-contractors.

Chart No. 5 indicates nine (9) construction related prime contractors with sub-contracting awards greater than \$1 million dollars. Chart No. 6 reflects professional service type contracts with sub-contractors.

With 47 majority owned firms sub-contracting to certified Go-DBE businesses, the total sub-contracting dollars increased from \$61 million to \$68 million. This represents an 11.48 percent increase over the previous fiscal year.

Chart 5



Chart 6

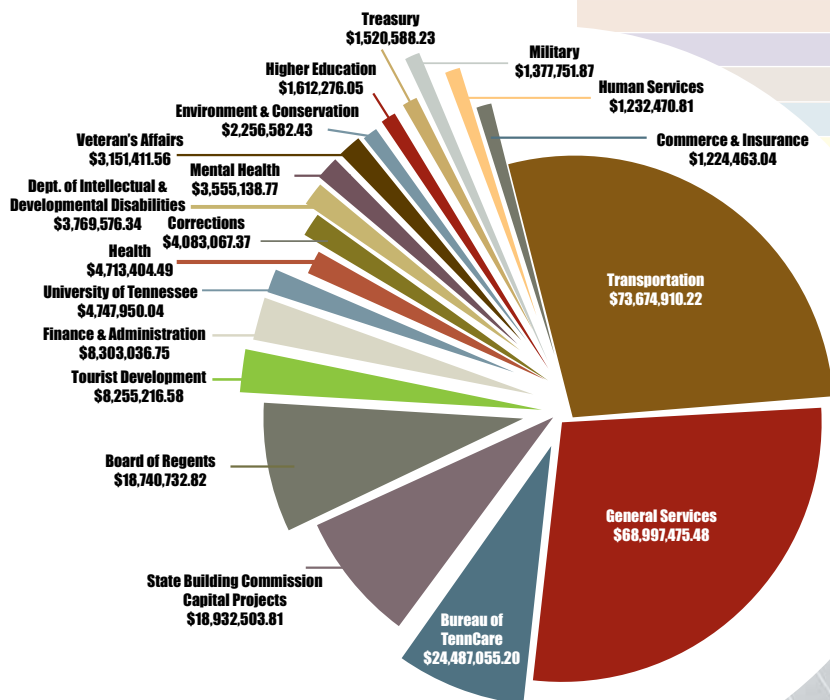


PROGRAM HIGHLIGHTS

TOP Agencies and Departments with Diversity Participation Greater Than \$1 Million

For FY12-13, the agencies and departments noted here have achieved dollar amounts over one million dollars (\$1,000,000) with certified diversity business enterprises. The year was highlighted by an increase from the previous fiscal year from 12 to 19 agencies surpassing the \$1 million plateau. Special congratulations go out to the seven new additional agencies: *Veteran's Affairs, Military, Human Services, Commerce & Insurance, Treasury, Environment & Conservation and Higher Education.*

Chart 7



Agency	Diversity Dollars
Transportation	\$73,674,910.22
General Services	\$68,997,475.48
Bureau of TennCare	\$24,487,055.20
State Building Commission - Capital Projects	\$18,932,503.81
Board of Regents	\$18,740,732.82
Finance & Administration	\$8,303,036.75
Tourist Development	\$8,255,216.58
University of Tennessee	\$4,747,950.04
Health	\$4,713,404.49
Corrections	\$4,083,067.37
Dept. of Intellectual & Developmental Disabilities	\$3,769,576.34
Mental Health	\$3,555,138.77
Veteran's Affairs	\$3,151,411.56
Environment & Conservation	\$2,265,582.43
Higher Education	\$1,612,276.05
Treasury	\$1,520,588.23
Military	\$1,377,751.87
Human Services	\$1,232,470.81
Commerce & Insurance	\$1,224,463.04

PROGRAM HIGHLIGHTS



Agency and Departmental Goals

The efforts of state departments and agencies to achieve diversity in contracting are monitored to assist them in increasing participation of minority-owned, woman-owned, service-disabled veteran-owned, and small businesses in their department's procurement and contracting opportunities.

Agency internal goals are based on reported levels of expenditures for the prior fiscal year. Fiscal year 2012-13 saw an increase from the previous fiscal year in the number of agencies meeting their goals. Thirteen (13) agencies surpassed their goals, with some agencies going above their established goals by an

exceptional amount. Overall, the State of Tennessee achieved 17.03% diversity participation in our contracts, which exceeded the 12.49% goal. To exceed the overall goal, outstanding efforts were realized with great results in minority, women, and service-disabled veteran-owned contracts and purchases.

GOALS FY12-13		MINORITY		WOMEN		SMALL		SERVICE DISABLED VETERAN		Total Goal	Goal Achievement
Department Name	Dept. No.	Goal	Result	Goal	Result	Goal	Result	Goal	Result		
Agriculture	325	2.73%	0.23%	3.19%	0.57%	10%	4.86%	0.25%	0.00%	16.17%	5.66%
Board of Regents	N/A	3%	2.71%	7%	5.84%	15%	1.92%	0.5%	0.00%	25.50%	10.46%
Children's Services	359	1%	0.27%	2%	1.90%	5.5%	0.18%	0.5%	0.00%	9.18%	2.34%
Commerce & Insurance	335	1%	11.35%	1%	1.05%	1%	0.24%	0.5%	0.00%	3.50%	12.64%
Corrections	329	2%	1.56%	2%	1.15%	2%	0.16%	0.5%	0.00%	6.50%	2.87%
Department of Intellectual & Developmental Disabilities	344	3%	8.27%	5%	12.22%	8%	0.47%	0.5%	0.00%	16.50%	20.97%
Economic & Community Development	330	2.5%	0.62%	2.73%	0.67%	2%	0.10%	0.5%	0.00%	7.73%	1.40%
Education	331	2%	0.71%	1%	0.47%	0.5%	0.00%	0.5%	0.00%	3.50%	1.18%
Environment & Conservation	327	2%	0.09%	2%	6.83%	2%	1.27%	0.5%	0.75%	6.50%	8.94%
Finance & Administration	317	1%	6.81%	1.5%	0.94%	0.5%	0.27%	0.5%	0.00%	3.50%	8.01%
Financial Institutions	336	2%	0.00%	2.28%	4.83%	1%	0.00%	0.5%	0.00%	5.78%	4.83%
General Services & FRF Facilities	321	4%	48.79%	11%	11.44%	2.0%	1.86%	0.5%	0.07%	17.50%	62.16%
Health	343	2.73%	3.49%	2.73%	2.97%	8.19%	0.95%	0.5%	0.00%	14.15%	7.41%
Health Care Finance and Administration (TennCare)	318	20%	22.60%	2%	3.01%	0.5%	0.15%	0.5%	0.00%	23.00%	25.75%
Higher Education	332	2%	0.00%	2%	3.42%	2%	0.90%	0.5%	0.00%	6.50%	4.32%
Human Resources	319	13%	37.39%	8%	3.28%	20.0%	2.55%	0.5%	0.00%	41.69%	43.21%
Human Services	345	2%	0.83%	0.91%	0.75%	2%	0.02%	0.5%	0.00%	5.41%	1.60%
Labor & Workforce Development	337	1%	5.00%	4%	3.25%	1%	0.00%	0.5%	0.00%	6.50%	8.25%
Mental Health & Developmental Disabilities	339	2%	6.20%	9%	15.82%	2%	1.99%	0.5%	0.00%	13.50%	24.00%
Military	341	1%	0.51%	1%	5.70%	2.5%	3.03%	0.5%	0.06%	5.00%	9.30%
Revenue	347	1%	0.26%	4%	8.29%	5%	0.05%	0.25%	0.00%	10.25%	8.60%
Safety	349	2%	0.01%	2%	1.92%	2%	0.33%	2%	0.00%	8.00%	2.26%
State Building Commission - Capital Improvements	355	10%	9.87%	3%	2.32%	4%	0.30%	0.5%	0.00%	17.50%	12.49%
Tennessee Bureau of Investigation	348	1.82%	0.07%	1.82%	0.75%	8.19%	5.75%	0.5%	0.00%	12.33%	6.58%
Tennessee Department of Transportation	401-499	1.5%	3.98%	1%	1.54%	1%	0.57%	0.5%	0.00%	4.00%	6.09%
Tennessee Wildlife Resources Agency	328	2%	0.43%	2%	1.67%	10%	1.73%	0.5%	0.00%	14.50%	3.84%
Tourist Development	326	1%	0.00%	6%	72.23%	10%	14.75%	0.5%	0.00%	17.50%	86.98%
University of Tennessee	N/A	3%	0.43%	7%	1.15%	15%	0.03%	0.5%	0.05%	25.50%	1.67%
Veterans Affairs	323	1%	1.07%	3%	13.49%	10%	0.00%	1%	100.00%	15.00%	100.00%
Totals:		3.20%	5.98%	3.47%	6.53%	5.27%	1.53%	0.55%	3.48%	12.49%	17.03%

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Met Category Goal for Minority, Women, Service-Disabled Veteran and Overall Goal

Met Agency/Department Goal

REPORTING BY STATUTORY REQUIREMENTS

STATUTORY REQUIREMENTS



Governor's Office of Diversity Business Enterprise Diversity Participation Purchase Order and Contract Awards for Fiscal Year 2012-2013

12-3-1107(a-b) — The Chief Procurement Officer shall annually report, on or before each December 31, to the governor and to each member of the general assembly concerning the awarding of purchases to minority-owned, woman-owned, service-disabled veteran-owned and small businesses and the total value of awards

made during the preceding fiscal year under the provisions of this part. The Chief Procurement Officer shall also include in such annual report the **number, by category, of minority-owned, woman-owned, service-disabled veteran-owned and small businesses solicited; the number of bids received**, by category, from

minority-owned, woman-owned, service-disabled veteran-owned and small businesses; and the dollar amount of purchases awarded, by category, to minority-owned, woman-owned, service-disabled veteran-owned and small businesses.

Minority-Owned Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
*Purchase Order Awards	6,034	3,761	\$ 10,166,865.86
**Contract Awards			\$162,220,524.61
Totals			\$172,387,390.47

Woman-Owned Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
*Purchase Order Awards	12,307	8,065	\$47,660,780.30
**Contract Awards			\$75,563,287.70
Totals			\$123,224,068.00

Service-Disabled Veteran-Owned Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
*Purchase Order Awards	273	75	\$3,282,770.72
**Contract Awards			\$3,525,729.41
Totals			\$6,808,500.13

Small Business

	Number of Solicitations	Number of Bids Received	Dollar Amount of Awards
*Purchase Order Awards	30,679	23,238	\$121,251,401.81
**Contract Awards			\$ 18,199,697.23
Totals			\$139,451,099.04

*The above figures represent purchase order awards of non-certified firms reported by the state of Tennessee Department of General Services, Central Procurement Office, University of Tennessee, and the Tennessee Board of Regents.

**Contract awards and payments are certified firms captured under Governor's Office of Diversity Business Enterprise program initiatives.

STATUTORY REQUIREMENTS



Governor's Office of Diversity Business Enterprise Diversity Participation Minority-Owned Business Solicited for State Procurement Opportunities

Fiscal Year 2012-2013

12-3-1107(b) — In annually reporting the information on minority-owned, woman-owned, service-disabled veteran-owned and small businesses, based upon information provided by vendors, the Chief Procurement Officer shall, in a separate section of the report, indicate the number of businesses solicited within each of the four (4) subcategories enumerated within § 12-3-1102, the number of bids received from

each of the four (4) subcategories enumerated within § 12-3-1102, and the total number and dollar amount of all purchases awarded within each of the four (4) subcategories enumerated within § 12-3-1102. For purposes of evaluation, the report shall also indicate the total number and dollar amount of all purchases by all state agencies during the reporting period.

Solicitation of Minority Businesses by Subcategories	Number of Solicitations	Number of Bids Received	Number of Awards	Dollar Amount of Awards
African American	7,639	1,147	853	\$51,211,646.51
Asian American	2,275	889	601	\$11,622,953.99
Hispanic American	1,182	516	507	\$9,829,102.44
Native American	1,677	998	930	\$96,568,846.45
Totals	13,473	3,550	8,891	\$169,232,549.39

Central Procurement Office
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Department General Services, Authorization No. 321198,
25 copies, December 2013. This public document was
promulgated at a cost of \$15.03 per copy.